



# BLUE CROSS AND BLUE SHIELD OF VERMONT VALUE-BASED REFORM EFFORTS

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Green Mountain Care Board

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# INTRODUCTIONS

- Grace Gilbert-Davis, Corporate Director Healthcare Reform
- Lou McLaren, Director of Provider Services
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# AGENDA

- Healthcare Reform Philosophy
- Collaboration with OneCare Vermont
- Value-Based Programming in Vermont
- Cost Containment Initiatives

# HEALTHCARE REFORM PHILOSOPHY

Blue Cross and Blue Shield of Vermont (Blue Cross) partners with healthcare providers and other stakeholders across the state's healthcare system to:

- Improve clinical outcomes
- Reduce the cost of care for our members and employers
- Maintain exemplary member experience

Blue Cross achieves these goals through interventions and payment models that directly relate to these principles without adding undue complexity

# COLLABORATION WITH ONECARE VERMONT

# ONECARE VERMONT

- Blue Cross was the single commercial payer in OneCare Vermont (OCV) until 2020
- 70% of Blue Cross' providers contract with OCV
- Attributed members have grown annually from 30,526 in 2018 to 62,445 in 2022

# RISK AND QUALITY TIMELINE

## Risk and Savings

- 2014-2017: Shared savings program
- 2018-2019: Shared risk/savings program
- 2020-2022
  - Capped shared risk/savings due to COVID
  - Pilots: Fixed Prospective Payment (FPP) reconciled with Fee For Service (FFS)
- 2023: tentative plan to reinstate shared risk/savings program

## Quality Programs and Measuring Outcomes

- 2017-2022: 11 quality measures (2020-2022 reporting only)
- 2021-2022: Annual OCV quality improvement plan

# IMPEDIMENTS TO SUCCESS

- Slow growth in attribution
- Excludes retail pharmacy, a major cost driver
- Lack of actionable reporting and analysis for providers and Blue Cross
- Lack of clarity around care coordination role



# FPP PILOT WITH SVMC AND PCP<sub>s</sub>

## Pilot began in April 2020

- One facility agreed to participate

## Independent PCPs added in 2021

- 11 participating

BLUE CROSS



OCV

PROVIDERS

- First payer to enter in to FPP
- Responsibilities shared by three parties
- Contractual relationships do not cross boundaries
  - Blue Cross maintains the provider agreements for delivery of care
  - OneCare Vermont maintains the provider agreements for ACO participation
  - Blue Cross and OneCare Vermont maintain the agreement that governs their interactions and excludes any contractual tie in with providers under FPP

# FPP PILOT LESSONS LEARNED

- Pilot allowed OCV, Blue Cross, SVMC and independent providers to test implementation including systems development, IT upgrades, actuarial analyses
- Significant financial and administrative commitment for small membership
- Unable to determine member benefit: quality or financial
- Difficult to expand program in current structure, both internally and externally, without significant additional operational investments
- FPP in isolation cannot drive delivery system reform; payment reform must be paired with other efforts

# INDEPENDENT BLUE CROSS VALUE-BASED INITIATIVES

# BLUE CROSS HEALTHCARE REFORM TENETS

- 1. Clear Member / Employer Benefit:** cost savings realized in premiums and/or enhanced services
- 2. Focus on Quality:** all metrics must be measurable, actively tracked, and actionable
- 3. Ensure Data Integrity:** the move away from FFS must not compromise the data collection necessary for tracking quality outcomes and the benefit of value-based payments

# EXAMPLES OF CURRENT VALUE-BASED PROGRAMS

- In-home mental health services alternative for children and youth
- Hospital colonoscopy bundled payment
- Home health quality performance-based rate enhancements
- Feedback Informed Treatment for mental health services
- Integrative Pain Clinic – global payment for all services including those not typically covered by insurance

# VALUE-BASED PROGRAM EXPANSION

- Advanced primary care model - 2022
- Trauma-informed care and trauma training initiative - 2022
- Centers of Excellence in Vermont - ongoing

# VALUE BASED PILOTS: LESSONS LEARNED

## Program Structure

- Pilots need provider and Blue Cross champions
- Flexibility and ability to adjust pilot parameters to meet Blue Cross, provider and patient needs

## Measurement and Evaluation

- Balance desire for customization and need for consistency/simplicity
- Quality measures and data tracking must be streamlined and provide timely and actionable information

## Payment Structure

- Payment structure must reflect the priorities of both Blue Cross and providers
- Incentive payments meant to spur change and innovation quickly become part of the expected base remuneration and can lose their impetus for change

# COST CONTAINMENT

- Vermont Blue Rx pharmacy program
- Avalon lab benefit manager
- Investments in CivicaRx
- Value-based FIT testing program
- Provider Passport prior authorization program



# QUESTIONS